

What's at Stake for Minnesota?

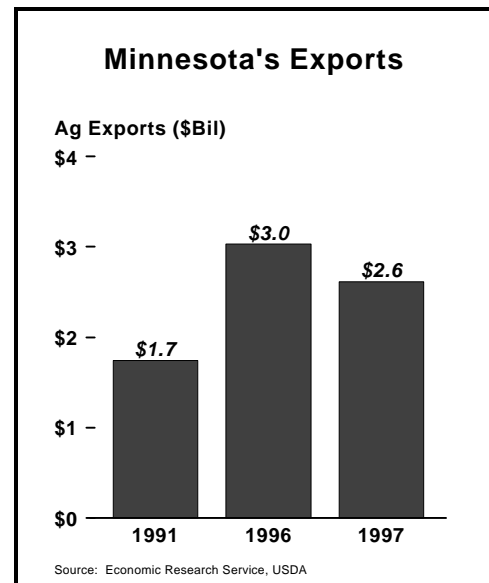
Minnesota is one of the leading producers of agricultural products and a major exporter. In 1997, Minnesota ranked 7th among all 50 states in the value of its agricultural exports. The state's exports reached an estimated \$2.6 billion, up from \$1.7 billion in 1991. These exports help boost farm prices and income, while supporting about 44,400 jobs both on the farm and off the farm in food processing, transportation and manufacturing. Exports are increasingly important to Minnesota's agricultural and state-wide economy. Measured as exports divided by farm cash receipts, the state's reliance on agricultural exports rose from 24% to 32% since 1991.

The top five agricultural exports in 1997 were:

- # soybeans and products -- \$871 million
- # feed grains and products -- \$784 million
- # live animals and red meat -- \$203 million
- # vegetables and preparations -- \$169 million
- # wheat and products -- \$121 million

World demand for these products is increasing, but so is competition among suppliers. If Minnesota's farmers, ranchers, and food processors are to compete successfully for the export opportunities of the 21st century, they need *fair trade* and *fair access* to growing global markets.

Minnesota Producers Benefit from Trade Agreements



Minnesota is already benefitting from a number of agricultural trade agreements. While there is still much to be done, examples of new market opportunities for Minnesota include:

- # Minnesota, the nation's 4th largest feed corn producer, continues to benefit under the Uruguay Round as Japan increases its 3.75 million-ton zero duty quota for feed corn 450,000 tons by 2000. Korea is lowering its in-quota tariff on feed corn and popcorn from 3% to 1.8% from 1995 to 2005. Korea will also reduce tariffs on mixed animal feeds from 7% to 4.2%.
- # The nation's 3rd largest soybean producer and 4th largest sunflower producer, Minnesota benefits under the Uruguay Round as Japan reduces its tariffs on soybean and rapeseed oil 36% and duties on sunflower, corn and cottonseed oil 50% by 2000.
- # The nation's 3rd largest pork producer, Minnesota benefits under the Uruguay Round as EU export subsidies for pork are cut 21% (volume) by 2000. Korea eliminated all volume restrictions for frozen pork, and the 33% tariff will fall to 25% by 2004. Japan is reducing its minimum import price for pork 29% by 2000. Under NAFTA, Canada's and Mexico's duty-free treatment for pork has helped U.S. exporters gain market share.